



MEETING DATE: 8/7/06

ITEM NO: 7

## COUNCIL AGENDA REPORT

DATE: JULY 26, 2006

TO: MAYOR AND TOWN COUNCIL

FROM: DEBRA J. FIGONE, TOWN MANAGER

SUBJECT: PROJECT 06-31 – AWARD OF HVAC MAINTENANCE CONTRACT  
ADOPT RESOLUTION DECLARING THERMA CORPORATION TO BE  
THE LOWEST RESPONSIBLE BIDDER ON THE PROJECT AND  
AWARDING A THREE YEAR CONTRACT IN THE AMOUNT OF  
\$22,020.00 PER YEAR PLUS CPI INCREASE IN YEARS 2 AND 3

### RECOMMENDATION:

Adopt resolution declaring Therma Corporation to be the lowest responsible bidder on the project and awarding a three year contract in the amount of \$22,020.00 per year plus CPI increases in years 2 and 3

### BACKGROUND:

One year from the date of this agreement and each anniversary thereafter, the monthly price paid for such services shall be adjusted upward or downward, increased or decreased, according to the percent change in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, All Items, All Urban Consumers, San Francisco-Oakland-San Jose, 1982-84-100 Index.

### DISCUSSION:

Periodically, the Town solicits proposals from qualified firms to perform various services. As a part of this process, staff evaluates the cost effectiveness of continuing to contract for services. At this time Town staff cannot adequately respond to the technical needs of the Town's HVAC system needs and recommends continuing contractual services.

The scope of work under the Town's request for bids calls for the contractor to provide all labor, materials, and equipment and to perform all work necessary to repair and maintain the HVAC equipment at various Town facilities.

PREPARED BY: JOHN E. CURTIS  
Director of Parks and Public Works

N:\B&E\COUNCIL REPORTS\06-31.award.of.HVAC.maint.contract.DOC

Reviewed by: PSJ Assistant Town Manager OK Town Attorney  
\_\_\_\_ Clerk Administrator SC Finance \_\_\_\_ Community Development

PAGE 2

MAYOR AND TOWN COUNCIL

SUBJECT: PROJECT 06-31 – AWARD OF HVAC MAINTENANCE CONTRACT

JULY 26, 2006

One sealed proposal for contractual services for the repair and maintenance of the Heating, Ventilating, and Air Conditioning (HVAC) equipment was received and opened by the Clerk Administrator on July 26, 2006

Staff sent requests for proposals to the following contractors and Therma Corporation was the only bidder.

Therma Corporation	\$22,020.00 per year
Foothill Heating and Air Conditioning	No Bid
Ray L. Hellwig Plumbing and Air Conditioning	No Bid
O. C. McDonald, Inc.	No Bid

It is recommended that the Council adopt the attached Resolution that would declare Therma Corporation to be the lowest responsible bidder on the project and award a three year HVAC Maintenance contract to this company in the amount of \$22,020.00 per year plus CPI increases in years 2 and 3. Staff has checked the bid received and has determined that Therma Corporation is responsible and that its bid is responsive to the Town's informal bid process.

CONCLUSION:

It is recommended that the proposal submitted by Therma Corporation be accepted by the Town Council. Therma Corporation's proposal satisfactorily responds to each of the criteria contained in the RFP, and is the most competitive from a cost standpoint.

It is recommended that the Town Council accept and authorize the Town Manager to execute a three year Contract with Therma Corporation in the amount of \$22,020.00 per year for services through the end of FY 07/08.

ENVIRONMENTAL ASSESSMENT:

This is not a project as defined under CEQA.

FISCAL IMPACT:

Full funding for the HVAC contract for Fiscal Year 06/07 exists in the adopted budget for Building Maintenance, Fund 695.

Attachments:

1. Resolution awarding the HVAC contract to Therma Corporation (with Exhibit A) HVAC Maintenance Contract
2. Bid Summary

RESOLUTION

RESOLUTION OF THE TOWN COUNCIL  
OF THE TOWN OF LOS GATOS  
AWARDING A CONTRACT TO  
THERMA CORPORATION  
FOR PROJECT 06-31  
HVAC MAINTENANCE CONTRACT

**WHEREAS**, proposals were sought in conformance with State and Town law for Project #06-31 – HVAC Maintenance Contract; and

**WHEREAS**, Therma Corporation submitted the only proposal which the Town Council deems to be the most responsive to the Town's solicitation dated June 22, 2006.

**BE IT RESOLVED** by the Town Council of the Town of Los Gatos, County of Santa Clara, State of California, that Therma Corporation is declared to be a responsible bidder for Project #06-31 – HVAC Maintenance Contract.

**BE IT FURTHER RESOLVED** that the Town Manager is hereby authorized and directed to execute a HVAC Maintenance three year contract with Therma Corporation (Attached as Exhibit A) on behalf of the Town in the amount of \$22,020.00 per year plus CPI increases in years 2 and 3.

**PASSED AND ADOPTED** at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 7<sup>th</sup> day of August, 2006, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:      MAYOR OF THE TOWN OF LOS GATOS  
                    LOS GATOS, CALIFORNIA

ATTEST:

CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS  
LOS GATOS, CALIFORNIA

## **AGREEMENT**

THIS IS AN AGREEMENT between the **Town of Los Gatos** (hereinafter referred to as "Owner") and **Therma Corporation** (hereinafter referred to as "Contractor").

Owner and Contractor, for the consideration hereinafter named, agree as follows:

### **7-01. SCOPE OF WORK**

Contractor shall furnish all materials and perform all of the work for **PROJECT # 06-31 Contractual Services for Repair and Maintenance of the Heating, Ventilating and Air Conditioning (HVAC) Equipment**, in accordance with the Contract Documents.

### **7-02. CONTRACT PRICE**

#### **A First Year**

As full compensation for furnishing all materials and equipment and for doing all the work contemplated and embraced in this agreement, also for all loss or damage arising out of the nature of the work aforesaid, or from the actions of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by Owner, and for all risks of every description connected with the work, also for all expenses incurred by or in consequence of the suspension or discontinuance of work, and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Contract Documents, Owner shall pay an amount not to exceed \$22,020.00 the first year.

#### **B. Successive Years**

One year from the date of this agreement and each anniversary thereafter, the monthly price paid for such services shall be adjusted upward or downward, increased or decreased, according to the percent change in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, All Items, All Urban Consumers, San Francisco-Oakland-San Jose, 1982-84-100 Index.

### **7-03. CONTRACT DOCUMENTS**

All rights and obligations of Owner and Contractor are fully set forth and described in the Contract Documents. All parts of the Contract Documents are intended to be correlated so that any work called for in one part and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The Contract Documents are defined in Section 8-01.A of these Specifications and are incorporated herein by reference the same as though set out in full.

#### **7-04. BEGINNING OF WORK**

Following the execution of this agreement and the approval of bonds and insurance policies and certificates, Owner shall issue a Notice to Proceed with the work. Commencing work or the entrance of equipment or materials on the site of the work by Contractor before receipt of the Notice to Proceed is at the sole risk and expense of Contractor, and the Contractor shall be fully liable for any damage or injury sustained by Owner or third persons resulting there from.

#### **7-05. TERM OF THIS AGREEMENT**

The term of this agreement shall begin on August 14, 2006 and end on June 30, 2009 unless modified with the consent of both parties.

#### **7-06. LIQUIDATED DAMAGES**

The undersigned has reviewed and is thoroughly familiar with the appropriate sections of the Contract and Section 8-06.C. of these Specifications pertaining to liquidated damages.

#### **7-07. TERMINATION OF AGREEMENT**

- A. Failure to perform satisfactorily - All work shall be performed to the satisfaction of the Director of Parks and Public Works. If performance is not satisfactory, Owner shall give Contractor written notice including a reasonable time (15 days) for meeting the necessary standards. If Contractor fails to perform satisfactorily after written notice, Owner may terminate this agreement on five (5) days written notice.
- B. Failure to meet security clearance requirements - Failure to meet security clearance requirements shall be grounds for termination on thirty (30) days written notice by Owner.
- C. Termination without cause - The Owner may terminate this agreement without cause on thirty (30) days written notice.

**TOWN OF LOS GATOS**

By \_\_\_\_\_  
Town Manager

**CONTRACTOR**

By \_\_\_\_\_  
Title

\_\_\_\_\_  
Business Address

\_\_\_\_\_

\_\_\_\_\_  
Contractor's License Number

**RECOMMENDED BY:**

\_\_\_\_\_  
**JOHN E. CURTIS**  
Director of Parks and Public Works

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**ORRY P. KORB**  
Town Attorney

**ATTEST:**

\_\_\_\_\_  
**MARLYN RASMUSSEN**  
Clerk Administrator